|  |  |  |
| --- | --- | --- |
| **Chapter 16 Integrated Marketing Communications:**  **Promotion Element of the Marketing Mix** | | |
|  | | **Learning Objectives:** |
|  | | *Upon completion of this unit the learner should be able to:*   1. Describe the concept of the promotional mix. 2. Discuss the elements of the promotional mix 3. Discuss the communications process 4. Discuss the factors that influence one’s choice in using the promotional mix tools. 5. Discuss what is meant by Push and Pull Strategies 6. Discuss the elements of the promotional program |
|  | | **Overview of this Unit** |
|  | | Promotion is the fourth element of the marketing mix and it is the one we tend to associate with more as it is the more visible aspect of marketing.  It comprises of tools used to inform, persuade, and remind buyers of a manufacturer's products. |
| **The Promotion Mix** | |
| Diagram | |

|  |
| --- |
| **Understanding the Communication Process** |
| The Communication process involves the two way flow of information and ideas (a message) between a sender and a receiver.  Many things influence how a message is received.  A person's background, experience and interest with the subject being communicated will have a great bearing on how much of the message is understood.  A key influence on how much of a given message is understood depends on how much external ***noise*** there is.  *Noise* not only means sound noises but other things that the receiver may be thinking of when you (as the sender) are speaking to them.  (Take, for example, this information that you are currently reading - where/are you also thinking about something else?  - that would be noise.)  Another key element in the communications process is the ability of the receiver to offer ***feedback***.  *Feedback* allows for clarification of the communications process.  Diagram |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    The Promotional Mix Tools

|  |
| --- |
| **The Promotional Mix Tools** |
| The Promotional Mix (or Marketing Communication Mix) is the combination of tools available to marketers in order to communicate with potential customers  Tools include:   |  |  | | --- | --- | | ***Advertising*** | any paid form of non-personal communication about an organization, good, service or idea by an identified sponsor. | | ***Promotion*** | a short term inducement of value offered to arouse interest in buying a good or service.  Also known as *sales promotion.* Examples include coupons, rebates, samples and sweepstakes. | | ***Public Relations*** | this is a form of communication management that seeks to influence the feelings, opinions, or beliefs held by customers, prospective customers, shareholders, suppliers, employees and any other stakeholder.  **Publicity** is a non-personal, indirectly paid presentation of an organization, good or service.  It can take the form of a news story, editorial or product announcement | | ***Personal Selling*** | this is the two-way flow of communication between a buyer and a seller, designed to influence a person's or group's purchase decision. | | ***Direct Marketing*** | This uses direct communication with consumers to generate a response in the form of an order, a request for further information or a visit to a retail outlet. This communication can take different forms such as catalogues, direct mail, telemarketing and online marketing. |   All of the above make up ***Integrated Marketing Communications.***  **The Promotional Mix**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Promotional Element** | **Mass versus Customized** | **Payment** | **Strengths** | **Weaknesses** | | *Advertising* | Mass | Fees paid for space or time | * Efficient means for reaching large numbers of people | * High absolute costs * Difficult to receive good feedback | | *Personal Selling* | Customized | Fees paid to salespeople as either salaries or commissions | * Immediate feedback * Very persuasive * Can select audience * Can give complex information | * Extremely expensive per exposure * Messages may differ between sales people | | *Public Relations* | Mass | No direct payment to media | * Often most credible source in the consumer's mind | * Difficult to get media cooperation | | *Sales Promotion* | Mass | Wide range of fees paid, depending on promotion selected | * Effective at changing behaviour in short run * Very flexible | * Easily abused * Can lead to promotion wars * Easily duplicated | | *Direct Marketing* | Customized | Cost of communication through mail, telephone, or computer | * Messages can be prepared quickly * Facilitates relationship with customer | * Declining customer response * Database management is expensive | |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    Selecting Promotional Mix Tools

|  |
| --- |
| **Selecting Promotional Mix Tools** |
| Several factors affect which promotional mix tools to use when communicating with customer:   |  |  | | --- | --- | |  | The size and type of Target Audience. | |  | The Stage in the Product Life Cycle that the product is at. | |  | The Characteristics of the Product. | |  | The Stage of the Buying Decision that the consumer is at. | |  | The Marketing Channel Strategy being used. | |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    The Stage in the Product Life Cycle

|  |
| --- |
| **The Stage in the Product Life Cycle** |
| Product Life Cycle Diagram |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    Stage of the Buying Decision

|  |
| --- |
| **Stage of the Buying Decision** |
| Promotional Tool Use |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    Marketing Mix Tools

|  |
| --- |
| **Marketing Mix Tools** |
| |  |  | | --- | --- | | ***Sales Promotion*** | Consumer-oriented Sales Promotions   * coupons * deals * premiums * contests * sweepstakes * samples * continuity programs (frequent user promos) * point-of-purchase displays * consumer rebates   Trade-oriented Sales Promotion   * allowances * discounts * co-op advertising * training of sales force | | ***Public Relations*** | * Public relations hopes to positively influence the perceptions of potential customers towards the organization. * Organizations do not directly pay for public relations * Unlike with paid advertising, organizations exercise limited control over public relations efforts.   **Public Relations Tools**  Some Frequently used Publicity Tools   * news releases * news conferences * press kits * information documents * web sites * special events sponsorship * public service activities * promotional materials | | ***Direct Mail*** | * Sends information on the organization and its products directly to households through the mail. * Variations include Telemarketing, Fax marketing, Internet marketing and Tele-shopping * Is it considered Junk Mail? |      |  |  | | --- | --- | |  | **Direct Mail**  For an excellent explanation of using Direct Mail, review the website below:  <http://www.determan.net/Michele/mdirectmail.htm> | |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    Channel Strategies

|  |
| --- |
| **Channel Strategies** |
| |  |  | | --- | --- | | ***Push Strategy*** | manufacturers use various personal selling and sales promotional techniques to encourage orders and provide sales assistance | | ***Pull Strategy*** | manufacturers aim its promotional mix at the ultimate consumer to encourage them to ask the retailer for the product before the retailer is willing to stock it. |   Push - Pull Strategies  courtesy: McGraw-Hill Ryerson |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    Developing a Promotional Program

|  |
| --- |
| **Developing a Promotional Program** |
| |  |  | | --- | --- | |  | ***Planning***   * Who do we want to sell to? - this is our target audience * What are our objectives? (unit sales, market share, etc.) * Set a budget (% of sales, competitive parity, All You Can Afford, Objective/Taks budgeting) | |  | ***Executing the Plan***   * Promotional campaigns are made better by protesting the promotional campaign * Carry out the promotion - again being sure to present a consistent message across the promotional mix | |  | ***Control***   * Ensure the campaign is meeting the objectives   + Post-test   + Make necessary changes * Review Steps 1 & 2 | |

MR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    Unit 9 Self TestMR2100 Marketing II - Unit 9.  Promotion Element of the Marketing Mix -    Unit 9 Self-Tests

rketing Mix -    Unit 9 Video Case